

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised October 15, 2009

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant Yates Petroleum Corporation,
whose address is 105 S. 4th St., Artesia, NM 88210,
hereby requests an exception to Rule 19.15.18.12 for 1-2 days per month until
February 1, Yr 2012, for the following described tank battery (or LACT):
30-015-37500
Name of Lease Jericho BKJ State Com #2H Name of Pool Bone Springs
Location of Battery: Unit Letter A Section 15 Township 25S Range 27E
Number of wells producing into battery 1
- B. Based upon oil production of 5 approx. barrels per day, the estimated * volume
of gas to be flared is 700 approx MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility:
DCP
- D. Distance 2.5 mi. approx Estimated cost of connection _____
- E. This exception is requested for the following reasons: Due to CO2 content, DCP plant is unable to
accept gas until additional equipment is installed. Under Rule 19.15.18.12.B. we are requesting this
periodic flaring to prevent undue hardship in regards to lease agreement.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.

Signature Miriam Morales

Printed Name
& Title Miriam Morales- Production Analyst

E-mail Address mmorales@yatespetroleum.com

Date 9/28/11 Telephone No. 575-748-1471

OIL CONSERVATION DIVISION

Approved Until Feb 1 - 2012

By RL Daal

Title Dist. Eng. Supervisor

Date Oct 20 - 2011

* Gas-Oil ratio test may be required to verify estimated gas volume.

**NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 SOUTH FIRST STREET
ARTESIA, NM 88210
(575)748-1283**

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

1. Venting gas is absolutely not allowed.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days.
<http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.

Your initials here *RD*

10/17/2011